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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/087,339	03/01/2002	Allan N. Weiss	CSSK-020CP3	5050
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David M. Mello McDermott, Will & Emery 28 State Street Boston, MA 02109				
EXAMINER				
VAN BRAMER, JOHN W				
ART UNIT		PAPER NUMBER		
3622				
MAIL DATE		DELIVERY MODE		
10/16/2008		PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/087,339

**Applicant(s)**

WEISS, ALLAN N.

**Examiner**

JOHN VAN BRAMER

**Art Unit**

3622

**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 18 July 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-4, 6-21, 23-48 and 50-56 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-4, 6-21, 23-48, and 50-56 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on July 18, 2008 has been entered.

### ***Response to Amendment***

2. The applicants amendment filed July 18, 2008, has cancelled no claims. Claims 1, 7-9, 13, 16-18, 24-26, 30, 33-35, 39, 42-45, and 52-56 have been amended and no new claims were added. Thus, the currently pending claims, addressed below, are 1-4, 6-21, 23-48, and 50-56.

### ***Claim Rejections - 35 USC § 112***

3. The amendment filed on July 18, 2008 has corrected the 35 U.S.C. 112 deficiencies identified in the Office Action dated March 19, 2008. The amendment has removed the term "one or more indices", and inserted the term an index. Since the term an index is singular and refers only to a single index rather than the plural form of indices, the antecedent basis issues related to Claims 1, 18, 39, 49, 55, and 56 are hereby withdrawn.

4. The applicant's arguments regarding Claims 4, 12, 21, and 29 and the term "different times" is intended to mean "not at the same time" fails to overcome the 35 U.S.C. 112 rejection raised in the Office Action dated March 19, 2008. Thus the rejection is maintained. The intended interpretation, based upon the applicants argument's dated December 27, 2007, is that the term "different times" is to be interpreted as "not at the same time" which, contrary to the applicants contention, does provide temporal limitations.

5. The applicant's amendment dated July 18, 2008 has failed to correct indefinite language found in Claims 13 and 30. Therefore, the 35 U.S.C. 112, second paragraph rejection regarding indefiniteness is maintained. The examiner can not find an indication in the specification of the claims that defines the specific metes and bounds intended by the term "threshold value". Using the definition provided by the applicant in the arguments dated July 18, 2008 only reinforces the examiners contention that specific metes and bound are not described by the term. "The point that must be exceeded" does not identify what said point is. Instead it is an arbitrary point that must be exceeded in order for a given effect to take place. Without additional guidance regarding what value said point represent the term is indefinite.

***Claim Rejections - 35 USC § 101***

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. Claims 1-4, 6-17, 35-44, and 55 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fails to meet the above requirements because the method steps are neither tied to another statutory class of invention (such as a particular apparatus) nor physically transform underlying subject matter (such as an article or materials) to a different state or thing.

***Claim Rejections - 35 USC § 102***

8. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

9. Claims 1-56 are rejected under 35 U.S.C. 102(b) as being anticipated by Mayo ("Investments, An Introduction", Fourth Edition, The Dryden Press, ISBN: 0-03-097647-2, 1993, pgs 521-627).

Claims 1, 18, 55, and 56: Mayo discloses a method and system of providing shares in a proxy asset set, each proxy asset in said proxy asset set having a proxy asset account value, said method comprising:

- a. Defining a proxy asset set account value equal to the sum of the account values of all proxy assets in said proxy asset set, including constraining said proxy asset set account value by a value of a resource pool including one or more illiquid assets. (Page 586, Paragraphs 1, 2 and Exhibit 20.1; Page 601, Paragraphs 4 through 6)
- b. Defining a first set of shares representing claims on a first subset of said proxy assets, wherein said first set of shares experience an increase in value as a function of a positive change in an index. (Page 601, Paragraphs 4 through 6)
- c. Defining a second set of shares representing claims on a second subset of proxy assets, wherein said second set of shares experience an increase in value as a function of a negative change in the index. (Page 601, Paragraphs 4 through 6)
- d. Shifting value between said first set of shares and said second set of shares as a function of a change in the index. (Page 601, Paragraphs 4 through 6)
- e. Offering said first set of shares and said second set of shares to another individual, wherein at least some shares from one or both of said first set of

shares and said second set of shares may be procured, without a requirement of procuring sets of shares composed of shares from said first set of shares and said second set of shares. (Page 599, Paragraph 1 through Page 600, Paragraph 2)

Claims 2 and 19: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein at least one issuer does said offering and the issuer has the same number of shares from said first set of shares and said second set of shares. (Page 601, Paragraphs 2 and 3)

Claims 3 and 20: Mayo discloses a method and system as in claims 2 and 19 respectively, wherein said shifting is controlled by said issuer. (Page 601, Paragraphs 4 through 6)

Claims 4 and 21: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said offering includes offering one or more shares from said first set of shares and one or more shares from said second set of shares at different times. (Page 601, Paragraphs 4 through 6)

Claims 6 and 23: Mayo discloses a method and system as in claims 1 and 18 respectively 1, wherein said proxy assets represent claims on one or more foreign or domestic liquid or illiquid assets or proxy assets, such as assets chosen from a

group of assets comprising stocks, bonds, mutual funds, groups of stocks, accounts, real property, personal property, and one or more streams of income from one or more corporations, partnerships, joint ventures, sole proprietorships, individuals, trusts, estates, or contracts. (Page 601, Paragraphs 4 through 6)

Claims 7 and 24: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said proxy assets represent one or more underlying assets represented by said index. (Page 601, Paragraphs 4 through 6)

Claims 8 and 25: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said index represents a composite index chosen from a group comprising: 1) NASDAQ; 2) S & P 500; 3) Dow Jones Industrial Average; 4) NYSE Composite; and 5) Nikkei. (Page 601, Paragraphs 4 through 6)

Claims 9 and 26: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said index is weighted. (Page 601, Paragraphs 4 through 6)

Claims 10 and 27: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said offering includes offering by a plurality of issuers. (Page 601, Paragraphs 2 and 3)

Claims 11 and 28: Mayo discloses a method and system as in claims 1 and 18



respectively, wherein said proxy asset set includes a plurality of types of proxy assets, wherein each type of proxy asset represents one or more different liquid or illiquid assets. (Page 601, Paragraphs 4 through 6)

Claims 12 and 29: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein shares from said first set of shares and shares from said second set of shares may be issued and redeemed at different times. (Page 601, Paragraphs 4 through 6)

Claims 13 and 30: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein shares from said first set of shares and shares from said second set of shares are offered as a function of one or more conditions, including at least one of the value of the resource pool reaching a threshold value, the value of the index reaching a threshold value, the value of at least one of the first set of shares and said second set of shares reaching a threshold value. (Page 601, Paragraphs 4 through 6)

Claims 14 and 31: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said offering includes offering shares from at least one of said first set of shares and said second set of shares on an exchange. (Page 601, Paragraphs 4 through 6)

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Claims 15 and 32: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said offering includes offering by an issuer to an investor shares from one of said first set of shares or said second set of shares in accordance with an agreement imposing conditions on at least one of said shifting or on a distribution to said investor as a function of a value of said available shares. (Page 601, Paragraphs 4 through 6)

Claims 16 and 33: Mayo discloses a method and system as in claims 1 and 18 respectively, further comprising: F. terminating the offering shares from at least one of said first set of shares and said second set of shares as a function of a triggering event, wherein said triggering event is chosen from a group of events comprising: 1) a termination of a predetermined period of time; 2) a value variation in said index; 3) a change in rate of return of said proxy asset shares; 4) a change in a set of one or more economic indicators; 5) a change in level of risk reward; 6) a change in the value of the resource pool; and 7) a change in the prime lending rate. (Page 601, Paragraphs 4 through 6)

Claims 17 and 34: Mayo discloses a method and system as in claims 1 and 18 respectively, further comprising: F. adjusting the value of said resource pool as a function of a triggering event, wherein said triggering event is chosen from a group of events comprising: 1) a termination of a predetermined period of time; 2) adding an index to said index or deleting said index; 3) a value variation in said index; 4) a

change in a set of one or more economic indicators; 5) a change in a level of risk reward; and 6) a change in the prime lending rate. (Page 601, Paragraphs 4 through 6)

Claims 35 and 45: Mayo discloses a method and system for providing a proxy asset set of two or more proxy assets that responds an index, each proxy asset of the proxy assets set having a proxy asset account value and a number of proxy asset shares representing equal claims on the proxy asset account value, the proxy asset set having a total number of shares equal to a sum over all the number of proxy asset shares in the proxy assets set and having a proxy assets set account value equal to a sum over all the proxy asset account values of the proxy assets set, the method comprising:

- a. Defining a proxy asset account value with a predetermined account formula responsive to the index, wherein the index represents one or more corporate stocks, mutual funds, proxy assets, or a composite index chosen from a group of indices derived from or comprising one or more of the: 1) NASDAQ; 2) S & P 500; 3) Dow Jones Industrial Average; 4) NYSE Composite; and 5) Nikkei. (Page 601, Paragraphs 4 through 6)
- b. Constraining the proxy assets set account value by a value of a resources pool including one or more illiquid assets. (Page 601, Paragraphs 4 through 6)

- c. Reevaluating the proxy asset account value according to the account formula upon occurrence of each event of a plurality of predetermined events. (Page 601, Paragraphs 4 through 6)

Claims 36, 46 and 47: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. offering one or more of said proxy assets shares for public or private trading. (Page 601, Paragraphs 4 through 6)

Claim 37: Mayo discloses the method of claim 35, further comprising: D. offering one or more of said proxy assets shares on an exchange. (Page 601, Paragraphs 4 through 6)

Claims 38 and 48: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. trading one or more of said proxy asset shares. (Page 601, Paragraphs 4 through 6)

Claims 39: Mayo disclose the method and system of claims 35, further comprising: D. forming, from said proxy asset shares, a first set of shares configured to experience an increase in value as a function of a positive change in said index; and E. forming, from said proxy asset shares, a second set of shares configured to experience an increase in value as a function of a negative change in said set of indices. (Page 601, Paragraphs 4 through 6)

Claims 40 and 50: Mayo discloses the method and system of claims 39 and 49 respectively, further comprising: F. shifting value between said first set of shares and said second set of shares. (Page 601, Paragraphs 4 through 6)

Claims 41 and 51: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. redeeming one or more of said proxy asset shares. (Page 601, Paragraphs 4 through 6)

Claims 42 and 52: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. offering one or more of said proxy asset shares; and E. terminating the offering of said proxy asset shares as a function of a triggering event, wherein said triggering event is chosen from a group of events comprising: 1) a termination of a predetermined period of time; 2) a value variation in said index; 3) a change in rate of return of said proxy asset shares; 4) a change in a set of one or more economic indicators; 5) a change in level of risk reward; 6) a change in the value of the resource pool; and 7) a change in the prime lending rate. (Page 601, Paragraphs 4 through 6)

Claims 43 and 53: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. adjusting the value of said resource pool as a function of a triggering event, wherein said triggering event is chosen from a group

of events comprising: 1) a termination of a predetermined period of time; 2) adding an index to said index or deleting said index; 3) a value variation in said index; 4) a change in a set of one or more economic indicators; 5) a change in a level of risk reward; and 6) a change in the prime lending rate. (Page 601, Paragraphs 4 through 6)

Claims 44 and 54: Mayo discloses the method and system of claims 35 and 45 respectively, wherein the account formula includes a leverage factor, and wherein said leverage factor is applied to weight the index. (Page 601, Paragraphs 4 through 6)

### ***Response to Arguments***

10. Applicant's arguments filed July 17, 2008 have been fully considered but they are not persuasive.

a. The applicant argues that Mayo is not understood to teach proxy assets that are based on one or more illiquid assets as recited in claim 1. However, Mayo discloses, on Page 586, paragraphs 1 and 2 and Exhibit 20.1, that future contracts and arbitrage transactions include proxy assets for commodities such as wheat or cattle which is an illiquid asset. The examiner has used the term "proxy asset" in a manner consistent with the applicants disclosure on Page 7, lines 1-22 of the applicants specification.

b. The applicant argues that Mayo does not disclose defining a proxy asset set account value equal to the sum of the account values of all proxy assets in said proxy set. However, as disclosed by Mayo on Page 586 and exhibit 20.1, a proxy asset consisting of cattle (livestock), it is done on a unit basis of 30,000 pounds of cattle. Thus the value of the cattle proxy asset is the sum of the weights of each unit of livestock. Therefore, the defined account value is equal to the account values of each proxy asset in the proxy set. As such Mayo discloses the limitation of the claims as currently written.

c. The applicant argues that Mayo does not disclose defining a first set of share representing claims on a first subset of said proxy assets. However, as disclosed by Mayo on Page 586 each contract for cattle (livestock) represent claims on the underlying cattle (subset of the proxy asset) and require that the subset be of a certain weight. Further more, Mayo discloses on Page 601, Paragraphs 1-6, defining a basket of stocks that mimic an index and thus represent claims on a first subset of proxy assets. Additionally Mayo discloses on Page 601, Paragraphs 4-6 that proxy assets consisting of futures contracts on an index are defined and experience and increase in value as a function of a positive change in the index. As such Mayo discloses the limitation of the claims as currently written.

### ***Conclusion***

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to JOHN VAN BRAMER whose telephone number is (571)272-8198. The examiner can normally be reached on 6am - 4pm Monday through Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

John Van Bramer  
/John Van Bramer/  
Examiner, Art Unit 3622